

Message Text

UNCLASSIFIED

PAGE 01 PARIS 16242 240934Z

11

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 AGR-10 COME-00 TRSE-00 OMB-01

CIAE-00 DODE-00 INR-07 NSAE-00 PA-02 USIA-15 PRS-01

SP-02 STR-04 (ISO) W

----- 024769

P R 231618Z JUN 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 0624

INFO AMEMBASSY LONDON

UNCLAS PARIS 16242

DEPARTMENT PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR ETRD FR

SUBJECT: PARIS SUGAR MARKET DEVELOPMENTS

REF: PARIS 15876

1. SUMMARY: FRENCH CONSEIL D'ETAT HAS RULED MINISTER OF COMMERCE HAD NO AUTHORITY TO CLOSE SUGAR MARKET. GOVERNMENT IMMEDIATELY WITHDREW ITS BACKING OF BOARD OF DIRECTORS OF CAISSE DE LIQUIDATION AND BANK OF FRANCE NAMED A PROVISIONAL DIRECTOR. CONSEQUENCES OF THE DECISION FOR SETTLEMENT OF FINANCIAL PROBLEMS NOT YET CLEAR. END SUMMARY.

2. AFTER HEARING ARGUMENTS JUNE 20, CONSEIL D'ETAT RULED THAT MINISTER OF COMMERCE ANSQUER EXCEEDED HIS AUTHORITY WHEN HE AUTHORIZED CLOSING OF PARIS WHITE SUGAR MARKET DECEMBER 2, 1974. TEXT OF DECISION NOT YET AVAILABLE.

3. JUNE 21, GOF WITHDREW ITS APPROVAL OF THE BOARD OF DIRECTORS OF THE CAISSE DE LIQUIDATION. THE CAISSE ACTS AS BANKER FOR BROKERS USING SUGAR, COCOA, AND UNCLASSIFIED

UNCLASSIFIED

PAGE 02 PARIS 16242 240934Z

COFFEE MARKETS. BANK OF FRANCE IMMEDIATELY NAMED A

PROVISIONAL DIRECTOR OF THE CAISSE AND ON SUNDAY JUNE 22 MINISTRY OF COMMERCE ISSUED A STATEMENT THAT THESE MEASURES WERE TAKEN TO PRESERVE THE POSSIBILITIES OF RETURNING TO A NORMAL WHITE SUGAR MARKET AND TO AVOID DISTURBANCES OF THE COFFEE AND COCOA MARKETS.

4. ACCORDING TO LES ECHOS THE PRESIDENT (NOW EX-PRESIDENT) OF THE CAISSE REPORTED TO GOF THAT THE PRACTICAL CONSEQUENCE OF THE CONSEIL DECISION WOULD BE TO SETTLE OPEN POSITIONS ON THE BASIS OF MARKET QUOTATIONS AS OF JUNE 20, I.E. 1400 FRANCS PER TON. THE LES ECHOS CORRESPONDENT SAYS THIS REPORT LED TO THE DECISION TO NAME A NEW PROVISIONAL ADMINISTRATOR. THE ADMINISTRATIVE COURT COULD RULE ON THE APPROPRIATE PRICE AT WHICH OPEN POSITIONS SHOULD BE SETTLED BY MID-JULY. ALTERNATIVELY LES ECHOS FORESEES A NEGOTIATED SOLUTION UNDER PRESSURE OF THE IMMINENT OPENING OF LONDON TRADING IN WHITE SUGAR.

5. COMMENT: IT SEEMS IMPOSSIBLE AFTER THE DECISION BY THE CONSEIL D'ETAT THAT ARTICLE 22 OF THE SUGAR MARKET REGULATIONS COULD BE APPLIED. IT IS NOT YET CLEAR, HOWEVER, HOW THE PRICE AT WHICH ACCOUNTS ARE TO BE SETTLED WILL BE DETERMINED. AS A PRACTICAL MATTER THERE IS NO APPEAL FROM THE CONSEIL DECISION EXCEPT TO THE PRESIDENT OF THE REPUBLIC, WHICH SEEMS UNLIKELY IN THIS CASE.

RUSH

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE, SECURITIES MARKETS, BANKS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PARIS16242
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750218-0843
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750624/aaaaawcp.tel
Line Count: 90
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 PARIS 15876
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 13 FEB 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 FEB 2003 by PhilliR0>; APPROVED <10 MAR 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PARIS SUGAR MARKET DEVELOPMENTS
TAGS: EAGR, ETRD, BDIS, FR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006